Form **8937**(December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer		
1 Issuer's name		2 Issuer's employer identification number (EIN)
Halcon Resources Corporation		20-0700684
3 Name of contact for additional information	n 4 Telephone No. of contact	5 Email address of contact
		H H
Quentin R. Hicks	(832) 538-0300	QHicks@halconresources.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact
1000 LOUISIANA ST, SUITE 6700		HOUSTON, TX 77002
8 Date of action 9 Classification and description		
APRIL 6, 2017 CONVERSION OF PREFERRED STOCK TO COMMON STOCK		
10 CUSIP number 11 Serial number		13 Account number(s)
40537Q704 Part II Organizational Action A	HK	ee back of form for additional questions
Part II Organizational Action Attach additional statements if needed. See back of form for additional questions. 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for		
the action ► See Attached		
	CTW HOLD CO	
5.0000		No del co
Name and the second of the second		**************************************
	(U)	
200000		
Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis > See Attached		
	*	
tot. xxxx	(11-10-10-10-10-10-10-10-10-10-10-10-10-1	
20 200 280		
Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates See Attached		
4444		
A 190 - 190		
		427-1
	, t = -	

Page 2

Form 8937 (Rev. 12-2011)

Part II Organizational Action

- **14.** On April 6, 2017 each outstanding share of 8.0% Automatically Convertible Preferred Stock, par value \$0.0001 per share, ("Preferred Stock") automatically converted into 10,000 shares of the Company's common stock, par value \$0.0001 per share, ("Common Stock") in accordance with the terms of a Certificate of Designation, Rights, and Limitations of the Preferred Stock which was filed with the Delaware Secretary of State on February 27, 2017. No other consideration was received by the shareholders in the conversion.
- **15.** The conversion of the Preferred Stock is treated as an exchange of existing Preferred Stock for Common Stock in a transaction assumed to qualify as a tax-free reorganization under section 368(a)(1)(E). Under Section 358(a), the shareholders' aggregate tax basis in the Common Stock received pursuant to the conversion will equal the aggregate tax basis in the Preferred Stock surrendered in the transaction. The tax basis in of each share of Common Stock received as part of a 10,000 share block is determined by dividing the adjusted basis in the particular share of Preferred Stock surrendered by 10,000. Shareholders having differing tax bases with respect to the Preferred Stock exchanged, should consult with a tax advisor in order to identify the tax bases of the particular Common Stock received pursuant to the exchange.
- **16.** See Line 15 above; in general the shareholders' aggregate tax basis in the Common Stock received will equal the aggregate tax basis in the Preferred Stock surrendered.
- 17. Sections 368, 356, and 358.
- **18.** No loss can be recognized in the conversion.
- **19.** The stock basis adjustment would be taken into account in the tax year of the shareholder during which exchange occurred (e.g., 2017 for calendar year taxpayers).